

SUPPORTIVE SERVICES COMPONENT OF WELFARE PROGRAMS

Iteration 091003

Justification

Structural changes and their driving forces are key to understanding the critical nature of supportive services that are needed by that portion of low-skilled, economically disadvantaged customers of our workforce investment system. These structural changes lie both in the transformation that has occurred in our economy and in the redirection of national policy regarding welfare reform.

Structural changes in the labor market during the past twenty years and the “work first” focus on welfare reform have placed enormous pressures on states to assist people in not just finding jobs but also navigating and advancing in complex employment systems. For workers to advance in the labor market, professional jobs information and workplace navigation skills are increasingly important to workers at all job levels as employers abandon traditional arrangements that offered long-term jobs and advancement in exchange for loyalty. Job skill development and advancement are more valued.

Pressures in Missouri, in particular, are currently extraordinarily high as the implementation of a primary “best practice” of integrating welfare reform within the Missouri Career Center system creates its own urgency for vastly improving supportive services to individuals. The traditional employment and training system under these circumstances must quickly flatten the learning curve for Career Centers to become better providers of social services and connections to those services.

What is needed is a system that imparts labor market navigational skills, job advancement opportunities, and job retention while providing supportive services that ensure program attendance.

Promising solutions

Research on a national scale shows that programs which combine job search with basic education and work-based learning opportunities have the greatest success. Nearly all of these programs involve broad-based community partnerships that demonstrate collaboration, pooling of resources and sharing the costs of engaging the welfare client. From intake and program enrollment with community colleges (or other educational providers), to work-based learning, these programs also provide a substantial array of supportive services.

Two primary needs are necessary for program success, attendance and retention in the program and the ensuing job. Attendance requires addressing the basic needs for transportation and child care. Beyond that, programs must address navigation and mentoring needs, which may include referral networks, and innovations in case management beyond merely tracking clients that establish a sound relationship between program intake staff and the customer.

National Best Practices

Programs in states such as Massachusetts, California, Minnesota and Virginia are partnerships that surround these basic features: innovative transportation solutions; child care elements; housing support; mental health and substance abuse intervention; contextual learning and workplace mentoring in employer-based programs; and credentialing of skills to convey ownership to the client and a ticket to job advancement. A newer advancement in such strategies is the use of individual development accounts where resources are accumulated and managed for a variety of support needs. While it is important to note that the Temporary Assistance for Needy Families Program and the Workforce Investment Act

provide some basic transportation and child care payments, innovative programs succeed in their pooling of these funds with other resources beyond what is available under current funding budgets.

Iteration 091003

Missouri's Best Practices

Missouri's workforce investment system is not without its own innovative programs or partnerships. These also are broad-based, collaborative efforts. Some of those that exceed programmatic allotments for such things as transportation and child care payments are mentioned here.

In Northwest Missouri, a coalition provides project Jump-Start to fill the transportation gap in this largely rural area. Jump-Start is a forgivable car loan program created to help individuals obtain reliable transportation to and from work. To be eligible, participants must meet financial eligibility requirements, have a valid driver's license, be able to obtain affordable insurance, have an employment goal and be willing to work with program intake staff. Funds are used to purchase a vehicle worth up to \$3,000 and provide an additional \$1,500 for repairs and the initial support of two months of insurance. The Northwest Technical school is involved in inspecting and repairing the vehicles before transfer to the client. Participants either fully repay the loan, at a rate of \$50 per month, or they have an opportunity to have the debt forgiven. If participants meet certain conditions, such as timely payments, attending car care class at the Technical school, or making significant progress toward their employment goal, they may have the loan forgiven. To date about ten autos have been purchased in this manner. A key element in the project success is attendance in the Money Smart program.

Money Smart is a financial literacy curriculum designed to help adults outside of the financial mainstream build knowledge and develop positive relationships with financial institutions. The project was developed by the Federal Deposit Insurance Corporation (FDIC) with the help of a grant from the U.S. Department of Labor. The Northwest Missouri Regional Council of Governments was the first rural pilot project in the nation to demonstrate the success of the Money Smart program. Like excellent programs, it also involves a collaboration of community leaders. The curriculum requires financial professionals, such as bankers, insurance agents, savings and loan officers and realtors willing to present standardized units of study to participants. A Money Smart project generates significant community impacts. In the Northwest region, Bank Midwest offers free checking accounts, reduced interest on loans and higher interest on savings accounts for Money Smart graduates. Technical assistance and the entire cost of materials developed for a new project are provided by the FDIC for communities willing to create their own Money Smart program.

The Missouri Housing Trust Fund is an innovative collaborative in Central Missouri that provides housing assistance. Funds may be used to prevent homelessness, pay rent, make mortgage payments, make utility deposits to start service and maintain utility payments. The participant is asked only to continue making moderate payments by retaining employment. This program is a grant provided to Missouri Community Action Agencies by the Housing Trust Fund.

A relatively new but innovative strategy for supportive service needs is also being implemented in Missouri using the Missouri Individual Development Account program. Missouri Statutes (Sections 208.750 – 208.775, RSMo.) were enacted in 1999 to permit collaboratives to create a Family Development Account Program. This program promotes self-sufficiency for clients by creating an asset development, matched savings program. The Missouri Department of Economic Development issues tax credits to taxpayers that donate money to organizations approved to administer a Family Development Account. Through this, costs are offset for: education, job training, purchase or improvement of a primary residence, or start-up capital for a small business. While many workforce development and social service agencies are

involved in this program, it is unfortunately under used as it technically is available to any area willing to promote it and enlist program applicants to manage a project.

Iteration 091003

Mentoring of various forms for welfare clients is clearly a best practice that is under used largely because of its labor intensive nature, but is vastly effective among programs of the Missouri Division of Vocational Rehabilitation. This agency serves individuals using a classic “one-on-one” mentoring approach that provides professional counseling, job coaching, and intensive case management of each customer. As a result, the successful placement rate for customers of these programs can be as much as 80%; a performance criteria that dwarfs all other programs without such intensive personal assistance.

Finally, mental health and substance abuse intervention, although a vital supportive service, continues to be a matter of referral to another agency specifically staffed to deal with those implications. Although some successful examples involve staff intake at the same location with Missouri Career Centers, the workforce investment system in Missouri and nationally offers very few examples of integrating job search and placement with any specialized mental health services.

Even Greater Emphasis, Support and funding is needed

As Missouri moves to reform the very basis of its workforce investment system by integrating social services previously provided by separate social service agencies, it cannot afford to neglect the consideration of marginal, if not significant, increases in investments in supportive services. Policy considerations should include:

- Even greater emphasis in requiring community collaborations and partnerships either as a condition of receiving funding for programs or an incentive for increased. These are prerequisites to making the best innovations for increasing supportive services happen locally.
- Potential for even greater marketing and public information of existing low cost/no cost innovations such as Money Smart and Family Development accounts. Also, with consideration of possibly requiring these partnerships either as prerequisites to program funding or a part of incentives for increased funding.
- Strengthening the role of educational institutions aimed at increasing the building of work-based learning in collaboration with workforce program operators. Facilitate that collaboration.
- Review, evaluate and reform the referral networks established at the local level. These locally designed systems operate independently, and in many cases successfully. However, policy consideration should include encouraging innovation and improvement that could be provided as technical assistance to communities willing to ask themselves, “Could improvements in our referral network be made?” “Could improved referral aide providing mental health and substance abuse intervention?”
- Develop an ongoing, state level partnership to collaborate in the resolution of integrated transportation systems using local practitioners, particularly in rural Missouri.
- Even further collaboration to expand efforts at mentoring clients. If it is not feasible to make even marginal improvements, consider additional appropriations by the legislature for increased and improved mentoring practices for customers.